

Conference title: Green Deal, on track or in trouble?

Other interventions: Mac Arthur Foundation, European Climate Foundation, IUCN

IEEP role: introduction of the matter; moderation of discussion

#### INTRODUCTION TO the GREEN DEAL CHALLENGES (SPEAKING POINTS)

Ladies and gentlemen,

Thank you for inviting the IEEP at this interesting conference. The question is crucial for the EU: are we on track with the Green Deal? Or not and then we are in trouble, in deep trouble for the next 10 years and after....

To introduce the subject, I will first look at where do we stand after one year.

In a second move I will critically assess the coherence of the approach so far.

To conclude I will point on certain works of the IEEP which give us good reasons to think that the EU can deliver on the Green Deal on conditions we seriously improve monitoring and governance.

#### **1 – one year after announcing a Green Deal for Europe, where do we stand? What are the challenges?**

- **A number of good points:** despite the pandemic, what was announced was done.
- Long list of new proposals, strategies & communications by the Commission
- Examples: climate law, climate pact, circular economy new action plan, biodiversity strategy, farm to fork strategy, taxonomy for sustainable financing, chemicals strategy, 8<sup>th</sup> Environmental Action Plan, methane strategy..etc...
- Many boxes ticked, but....

- **Points of concern:** agreement on Budget and Recovery package but it stands below expectations – and still blocked by two MS (HU & PL) today
- Particular concern for Innovation and Research: even with the 4 bn more obtained by the Parliament we fall short from the needs. Reminder: Parliament thought that Horizon Europe deserves 120 bn, one fourth is missing while we know that innovation should be the engine for sustainability. We can't get to the so-called new green growth strategy in a business-as-usual mode. Only disruptive innovation can get us there and that the domain the EU should invest more to move forward.
- The **next step** will be the implementation of the Green Deal through various EU policies at various maturity stages, using different delivery systems. It raises many questions:
  - Can it be coherent?
  - How to monitor progress among 27 Member States?
  - How to measure impacts?
  - How to adjust direction?

## 2 – At first there is the question of coherence!

This question we will address it today looking more in details with the three speakers after me. We will dive into three items:

- The climate and the climate neutrality objective, with Pete Harrison from the European Climate Foundation
- Resource efficiency with Cartsten Wachholz from Ellen MacArthur Foundation
- And biodiversity with Luc Bas of the IUCN

Each time we should look at the expected impacts of the Green Deal and we should try to identify win-win opportunities as well as conflicts between objectives.

And conflicts we have some from the inception, let me give you few examples:

- Good to scrap fossil fuels and get to renewable energy, like biomass, but at the same time we want to protect biodiversity, there is a conflict between objectives.
- Good to launch a renovation wave of buildings, it will help reducing emissions but what about integrating the zero-pollution objective?
- Good to shift from linear to circular economy, good to try and stop plastics overuse, but is it enough if resources are exhausted? Too little attention is paid to resource efficiency and to resource overexploitation in the Green Deal and in the Circular Economy action plan
- Happy to hear that *“European food must become the global standard for sustainability”* but can we achieve that with the CAP proposal designed 3 years ago by Hogan?

A proposal heavily criticized for carrying forward the faultiest features of a policy which had significant negative impacts not only on nature but also on fairness to the farmers and their employees. The IEEP performed several analyses on the CAP, we found that a number of essentials for keeping alive the green ambition of the CAP are simply missing. The conflict between objectives set in the F2F – like pesticides reduction - and corporate interests is today even more visible, with evident tensions at the top of the executive whether the CAP proposal could be withdrawn or not, depending on the real ambitions of the national CAP strategic plans. Green Deal targets like 50 % pesticides reduction or 25 % share of land farmed organically by 2030 are not written black and white into EU legislation. We are in the hands of 27 national government goodwill; this is quite a serious preoccupation....

### **3 – On track or in trouble?**

It depends if you are an optimist or a pessimist... What makes the difference is if we have a plan. Yes, we believe the Green Deal is the right path to engage in, but we need a plan! What kind of plan do we need?

We need a monitoring plan. We need to be in capacity to measure progress against targets, to perform real-time monitoring and to take decisive corrective action where and when necessary.

Presently we can rely only on the monitoring and evaluation of each sectorial policy. We will not see the global picture of the combined effect of policies.

The Green Deal should have its own targets and they should be based on science, paired with a sound and transparent methodology and include intermediate targets and review clauses. In a paper on operationalizing the Green Deal, the IEEP identified the priorities to reform the European Semester, introduce 8 dimensions of a sustainable economy into the next Semester cycle and use a battery of 15 indicators with a view to build an environmental sustainability scoreboard.

Take climate neutrality: how do we know if we are on track? True that the 30 % mainstreaming of expenditure goes across all policies but as the IEEP report to the European Parliament on climate tracking has shown it is not relevant for monitoring the Green Deal. Why? First because the underlying methodology is very poor, based on too simplistic markers of expenditure set at 100 %, 40 % or 0 %. Second because it is difficult to harmonize between different policies, and agricultural expenditure is clearly overstated, as the Court of Auditors already said. Last but not least it's an input metrics. It is the quantified expression of a political commitment, nothing else. What we will need is the output, and the outcome of this 30 %. And how do we assess that? The Commission has no reply to this question, we do not see it in the Climate law nor elsewhere.

We believe that scientific evidence, based on facts, data, environmental observation, Copernicus and more should be the foundation for corrective actions on the EU policies and MS implementation regimes. We need a watchdog to observe and alert, where scientists and civil society meet.

At the IEEP we have suggested that a climate advisory council is put on feet. We can be inspired by the model of the IPCC: its scientific expertise together with political buying-in paved the way for the success of the Paris Agreement in 2015.

An IPCC-like for the EU Green Deal? What's your take on that?

We will discuss it immediately after hearing the views of the next three speakers.

Thank you for your attention.